

MINUTES
OF THE
PERSONAL SERVICE CONTRACT
REVIEW SUBCOMMITTEE

July 14, 1998

The Personal Service Contract Review Subcommittee met on Tuesday, July 14, 1998 at 10:00 AM, in Room 125 of the Capitol Annex. Mr. Michael Meeks, Committee Staff Administrator, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senators Barry Metcalf, Denny Nunnelley, and John "Eck" Rose; and Representatives Marshall Long and Jesse Crenshaw.

Guests: Geri Grigsby, Jeff Mosley, Armond Russ, and Rex Hunt.

LRC Staff: Michael Meeks, Joseph Hood, Kim Eisner, and Nancy Smith.

Mr. Meeks asked for nominations for chairman of the subcommittee. A motion was made by Senator Metcalf and seconded by Senator Nunnelley to elect Representative Long as chairman of the subcommittee. Senator Metcalf made a motion that nominations cease. Representative Long was elected unanimously.

A motion was made by Senator Metcalf and seconded by Representative Crenshaw to approve the Minutes of the June 9, 1998,. The motion passed unanimously.

A motion was made by Senator Metcalf and seconded by Representative Crenshaw to approve the Routine Contract List with the following exceptions: Contract #52, between Finance & Administration - Finance/Engineering and Johnson, Romanwitz Architects, 985213; Contract #53, between Finance & Administration - Finance/Engineering and Staggs & Fisher, 985212; and Contract #217, between Transportation Cabinet and Marvin Sotsky & Associates, 980664. The motion to approve the Routine Contract List passed unanimously.

A motion was made by Senator Metcalf and seconded by Representative Crenshaw to approve the amendments to the contracts on the Amendment List. The motion passed unanimously.

The following ROUTINE contracts
were APPROVED:

ACCOUNTANCY, BOARD OF :

Ronald F. Kolb, 990066; Thomas K. Baer, 990065; Roger D. Johnson, 990067.

ADMINISTRATION OFFICE
OF THE COURTS:

National Center for State Courts, 99-05; East Carolina University (Dr. Paul Knepe, PhD), 99-04; 99-06; Dynamic Analytical Solutions, Inc., 99-08; John Leathers / Buchanan Ingersoll, P.C., 99-07.

AGRICULTURE:

Kentucky Food Bank, 990132; Jim Bell, 990109; Dwight Nichols, 990108; God's Pantry, 990131; Miss Kentucky Scholarship Organization, 990135; Dare to Care, 990110.

ATTORNEY GENERAL,
OFFICE OF THE:

Tichenor & Associates, 990107; Consultek, International, 990206; Frost & Jacobs, 990212; Woodward, Hobson & Fulton, 990213; Pricewaterhouse Coopers LLP, 990208.

CLAIMS, BOARD OF:

Benjamin J. Lookofsky, 990072; Joseph D. Harkins, III, 990075; Kathleen K. Schell, 990073; Peter F. Ervin, 990074; Kurt J. Meier, 990071.

DEAF AND HARD OF HEARING,
COMMISSION ON THE:

Aaron Drew Weldon, 990120; Julie Posie, 990118; Kim Weldon, 990122.

DENTISTRY, BOARD OF:

Kentucky Dental Association, 990049.

EASTERN KENTUCKY UNIVERSITY:

Mindy Shannon-Phelps, 99-003; 98-057; Angela Schell, 99-007; Sonnie Hamilton, 99-004; Beverly Blair, 99-006; Michael Roy Nichols, 99-005.

ECONOMIC DEVELOPMENT CABINET:

Riney, Hancock, 990182; Patrick J. Fenton, 990035; McBrayor, McGinnis, Leslie & Kirkland, 990113; Stites & Harbison, 990133.

EDUCATION, DEPARTMENT OF:

Dr. Stuart Robertshaw, 980960.

ENGINEERS, PROFESSIONAL
AND LAND SURVEYORS,
BOARD OF REGISTRATION:

Robert Allen Mitchell, 980241; James E. Manning, 990098; Robert S. Giles, 990095; Paul Schrader, 990105.

ETHICS COMMISSION
(Executive Branch):

Weber & Rose, 990161; Johnson, Judy, True, & Guarnieri, 990148; George F. Rabe, KLEC-1.

FAMILIES & CHILDREN,
CABINET FOR:

Kentucky One Church One Child Adoption Agency, 990170; 990172; Kentucky Baptist Homes for Children, 990171; F. M. Blake, 990173; MULTI - IMPACT, 990187.

FINANCE AND ADMINISTRATION CABINET:
FINANCE / ENGINEERING:

Staggs & Fisher, 985212; Johnson, Romanwitz Architects, 985213.

FINANCE AND ADMINISTRATION CABINET:
Deloitte & Touche, 990211.

FINANCIAL MANAGEMENT AND
ECONOMIC ANALYSIS, OFFICE OF:
Prescient Software, 980982.

GOVERNOR, OFFICE OF THE:

Aldona K. Valicenti, 990167; Lee P. Cowherd, 990111; Virginia Weber Denny, 990184; W. Mark Manuel, 990183; Anna Grace Day, 990185.

HEALTH SERVICES, CABINET FOR:

Sapient Corporation, 990156; Arc of Kentucky, 990154; MULTI - Impact Plus Providers, 990123; Pelfrey Associates, 990165; Allen & Company, 990164; Kentucky Disabilities Coalition, 990153; MULTI - First Steps, 990177; ClaimTraQ, 990060; Health Management Systems, 990157.

HUMAN RIGHTS COMMISSION:

Paul Semonin Realtors, 980874; Louisville Apartment Association, 980876.

INSURANCE, DEPARTMENT OF:

Robert A. McCullough, 980980; Gary E. Farmer, 980990; Abrahams, Loewenstein, Bushman & Kauffman, 980992.

JUSTICE CABINET:

Ferreri, Fogle, Pohl & Picklesimer, 980995; Law Enforcement Services, Inc., 980987; Robert Pybas, 980991; Urgent Treatment Center, 980993.

KENTUCKY COMMUNITY AND
TECHNICAL COLLEGE SYSTEM:

Dr. Jeff Hockaday, 990159; Dr. Bob Barringer, 990160.

KENTUCKY EDUCATIONAL TELEVISION:

Charles E. Duncan, 990124; Elizabeth Jewell Coogle, 990130; Connie Offutt, 990195; Brian Yesowitch, 990151; Roger BonDurant, 990150; Jane M. Smith, 990128; Joan C. Jahnige, 990127; Ruth E. Styles, 990129; Potter & Company, 990103.

KENTUCKY EMPLOYER'S MUTUAL
INSURANCE AUTHORITY:

MULTI, 99-CD-001; Conning Asset Management Company, 99-001; Underwriters Safety and Claims, Inc., 99-USC-001; Dean, Dorton & Ford, 99-DDF-001; Brown, Todd & Heyburn, 99-BTH-001; Meridian Communications, 99-MER-001; Automatic Data Processing, 99-ADP-001.

KENTUCKY HIGHER EDUCATION
ASSISTANCE AUTHORITY:

Centre College, 904; Georgetown College, 905; Campbellsville University, 903; Trans Union, 907; General Revenue Corporation, 906; Lindsey Wilson College, 902; Winham Professionals, 901.

KENTUCKY HORSE PARK:

Potter & Company, 990201.

KENTUCKY HOUSING CORPORATION:

CFX, Inc., 99-1; Creative Housing Solutions, Inc., 98-11E; Allgeier Company, Inc., 98-10E; Pritchett & Associates, Inc., 98-9E; Dunn, Franklin & Murphy, 99-2; Mark V Real Estate Services, LLC, 98-8E; M. T. Mullen Corporation, 98-12E.

KENTUCKY INFRASTRUCTURE
AUTHORITY:

Potter & Company, 990155.

KENTUCKY KARE HEALTH
INSURANCE AUTHORITY:

Health Data Solutions, 980981.

KENTUCKY LOTTERY

CORPORATION:

Elsym Consulting, Inc., 99-97-255; Pinkerton's Inc., 99-97-250; Battelle, 99-97-359; Crowe, Chizek and Company LLP, 99-98-173; Multi (Advertising Production), 99-100; Bryan, Pendleton, Swats & McAllister, LLC, 99-96-108; Affiliated Forensic Laboratory, Inc., 99-95-024; Belo Kentucky, Inc. (formerly known as Journal Broadcasting of Kentucky, Inc. d/b/a WHAS-TV), 99-94-041; PNC Bank, Kentucky, Inc., 99-98-201; Balloon Promotions, 99-126; Redmond Technologies, Inc., 99-97-272-1; Keane, Inc., 99-97-272-2; People Plus, Inc., 99-98-188; Data Safe, 99-96-029.

KENTUCKY REAL ESTATE

COMMISSION:

Core Systems Development, Inc., 990199; Assessment Systems, 990168.

KENTUCKY RETIREMENT

SYSTEMS:

Farmers Bank & Capital Trust, 980998.

KENTUCKY STATE FAIR

BOARD:

Strothman & Company, 990146.

KENTUCKY STATE POLICE:

Jackson & Kelly, 990141; Conliffe, Sandmann & Sullivan, 990139; Kinkead, Stilz & Alford, 990140; Roger Braden, 990137; Wyatt, Tarrant & Combs, 990136.

KENTUCKY STATE UNIVERSITY:

Johnson, Judy, True & Guarnieri, 99-03; Will Linder & Associates, Consultants, Inc., 99-01.

LABOR CABINET:

Berger & Ross, 990197.

LEGISLATIVE RESEARCH

COMMISSION:

Kizan Technologies, 99-15; Frankfort - Franklin County Community, 99-14.

LOCAL GOVERNMENT:

Conliffe, Sandmann & Sullivan, 980996; 990158; Charles T. Mitchell Company, 990134; Brown, Todd & Heyburn, 990063.

MOREHEAD STATE UNIVERSITY:

MULTI - Continuing Education & Conf. Ser., 99-011; Staggs General Surveys, Inc., 99-007; Paul R. Stokes, 99-003; Faye Castle, 99-010; Appraisal Associates of Kentucky, 99-008; MULTI - Community Development, 99-012; RGIS Inventory Systems, 98-103; McBrayer, McGinnis, Leslie & Kirkland, 99-002; Douglas Applegate, 99-009.

MURRAY STATE UNIVERSITY:

William M. Mercer, Inc., 013-99-2; Dr. David Martin, 001-99-2; Dr. Robert Clark Harris, 010-99-2; English, Lucas, Priest & Owsley, 009-99-2; MULTI - Skill Training Services, 012-99-2; Dr. Richard Salmon, 008-99-2; Jonathan Freed of Bradley & Freed, 011-99-2; Ritter and Company, 003-99-2.

NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION
CABINET:

Tachau, Maddox, Hovious & Dickens, 990104; Terry Gray, 990096; Byte, Inc., 980977; The Huntington Bank, 990202.

NORTHERN KENTUCKY UNIVERSITY:

Maureen Sullivan, 99-313; General Revenue Corporation, 99-265-2; Deters, Benzinger & LaVelle, P.S.C., 99-232; Bartlett & Weigle Company, 99-78; Arnzen, Parry & Wentz, 99-226; Ziegler & Schneider, P.S.C., 99-104; Walter Allen Cole, III, 99-310; Daum & Associates, 99-300; Deloitte & Touche LLP, 99-304; Penson-Strawbridge, 99-305; Children's Law Center, 99-312; Barbara Holland, PhD, 99-302; NCO Financial Systems, 99-204; MULTI - Community Education, 99-240; Security Credit Systems, 99-264-2; Buechel, Conley & Schutzman, 99-262; Dinsmore & Shohl, 99-194; Adams, Brooking, Stepner, Woltermann & Dusing, 99-153.

NURSING, BOARD OF:

Kentucky Peer Assistance Program, 990044.

PERSONNEL BOARD:

Stephen McMurtry, 990084; John C. Ryan, 990083; Steven G. Bolton, 990079; Kim Hunt Price, 990070; Terri King Schoborg, 990069; Don C. Meade, 990080; Thomas A. Duke, 990077; Prentice A. Harvey, 990078.

PERSONNEL CABINET:

Reed, Weitkamp, Schell, Cox & Vice, 990163; Cotton & Allen, 990166; Hunt, DuPree, Rhine & Associates, 990179; Cotton & Allen, 990145.

PUBLIC PROTECTION &
REGULATION CABINET -

Department for Financial Institutions:

Pedley, Zielke, Gordinier, Olt & Pence, 990191; Reed, Weitkamp, Schell, Cox & Vice, 990192; Goldbert & Simpson, 990189; Morgan & Pottinger, 990190; Brown, Todd & Heyburn, 990188; Tilford, Dobbins, Alexander, Buckaway & Black, 990193.

PUBLIC SERVICE COMMISSION:

PlanGraphics, 990209; Morrison & Hecker, 990180.

REAL ESTATE APPRAISERS BOARD:

Core Systems Development, 990186; Assessment Systems, 990106.

REAL ESTATE COMMISSION:

M. Wilson and Associates, Inc., 990102; Kentucky Real Estate Education Foundation, 990101.

REVENUE CABINET:

Wolnitzek, Rowekamp, Bender & Bonar, 990175; Pat H. Stevens, 990181; Billy Whittaker, 990174; Stoll, Keenon & Park, 990178; C. Christopher Trower, 990176.

TOURISM CABINET:

Creative Alliance, 990026.

TRANSPORTATION CABINET:

Walton & Vance, 980647; Safford & Lanphear, 980652; Taliaferro & Mehling, 980643; W. David Shearer, Jr., PSC, 980651; Sutton, Hicks & Lucas, 980648; Marvin Sotsky & Associates, 980664; Palmer Engineering Company, Ag# 639798; Skees Engineering, Ag# 629798; Edward Worland, Jr., PSC, 980644; Ferreri, Fogle, Pohl & Picklesimmer, 980638; Pharmchem Laboratories, 980655; Coopers & Lybrand LLP, 980656; Boyd, Watkins & Patrick, 980637; Reynolds, Johnston, Hinton, Thomas & Pepper, 980642; McBrayer, McGinnis, Leslie & Kirkland, 980641; Logan & Gaines, 980640; Carl J. Bensinger & Associates, 980636; Hazelrigg & Cox, 980639; Wicker & Associates, 980646; Presnell Associates, 980498; James-Winstead & Associates, 980505.

TRAVEL DEVELOPMENT,

DEPARTMENT OF:

ICIM Corporation, 990025.

TREASURY, DEPARTMENT OF:

Hisle & Company, 990152; Wyatt, Tarrant & Combs, 990117; State Street Bank, 990169; Murphy & Enlow, 990142; 990144; 990143.

UNIVERSITY OF KENTUCKY:

MULTI - Civil/Structural Consulting Services, A991010; Keane, Inc., K99-132; Fowler Healthcare Affiliates, K99-129; MULTI - Architectural Consulting Services,

A991000; Nurses Registry, K99-122; United Audit systems, Inc., K99-139; William M. Mercer, Inc., K99-138; Drew Fellon, Fellon-McCord & Associates, K99-133; Grenzebach, Glier & Associates, K99-137; Deloitte & Touche LLP, K99-135; Underwriter's Safety & Claims, Inc., K99-136; Ober, Kaler, Grimes & Shriver, K99-115; Grenzebach, Glier & Associates, Inc., K99-131; Development Dimensions International, K98-159; General Revenue Corporation, K99-127; McCord Emergency Lighting, K99-139; Multi - Mechanical/Electrical Engineering, A991020; MULTI - Environmental Engineering Services, A991030; Affirmative Medical Staffing, K99-118; O. T. Innovations, K99-123; Horn, Richardson, and Associates in Rehabilitation, K99-121; Caretenders, K99-119; P. B. Booker Associates, Inc. of KY, A981400; American Rehabilitation Group PSC, K99-117; Lyle Associates, Architects, A981390; American Rehabilitation Group PSC, K99-116; Critical Care Nursing Agency, Inc., K99-120; ORB-BIT Design Group, K99-128; Physical Therapy Clinic of Danville, K99-124; EEG Technologies, K99-126; Swigert and Associates, K99-125.

UNIVERSITY OF LOUISVILLE:

Arthur Andersen LLP, 99-5; Louisville Division of Police, 99-31; Greenebaum, Doll and McDonald, PLLC, 99-23; Ogden, Newell & Welch, 99-24; Paul McDonald, Jr., 98-33; Quadrant, 99-26; Boehl, Stopher & Graves, 99-34; Howard Shouse / H & S Auction Company, 99-21; Net Tango, Inc., 99-25; Esterhay Group, Inc., 99-30; Denise E. Bronson, Ph.D., 99-29; Paul Schultz Company, 99-20; Stewart Lopez-Bonilla & Associates, 99-19; Videobred, 99-16; William Mercer, Inc., 99-32; Power Graphics, 99-27; Baach Creative Services, 99-22; Patrick Pfister, 99-18; Jeff Schneider, 99-15; Dan Dry & Associates, 99-8; Geoffrey Carr Photography, 99-7; Ken Hoskins PR, 99-17; Fresh Eyes Media, 99-9; Paula French, 99-10; FSM Marketing, 99-11; Kinetic Corporation, 99-13; Montage Publishing, 99-14; Barbara Myerson Katz, 99-12; Axis Communications, 99-6.

WESTERN KENTUCKY UNIVERSITY:

Medical Center Home Care, 8-98; Frederick W. Obear, 9-98; J & H Marsh McLeannan, 10-98; Mitchell Billings, 63-97; Toby Black, 7-98; 62-97.

WORKERS' CLAIMS,

DEPARTMENT OF:

Stuart A. Cooke, 990198; Coopers & Lybrand, 990115; Underwriters' Safety & Claims, 990100; Conliffe, Sandmann & Sullivan, 990099; Stuart A. Cooke, 990198.

WORKFORCE DEVELOPMENT CABINET:

GAB Robins, 990034; Greg Newton Associates, 990112; International Association Personnel in Employment Service, 990121.

The following AMENDMENTS
were APPROVED:

ATTORNEY GENERAL,

OFFICE OF THE:

Justice Resource Center, 990039.

CORRECTIONS DEPARTMENT:

Volunteers of America, 980192.

EASTERN KENTUCKY UNIVERSITY:

Institute for Human Services Management, 98-049; Michael Roy Nichols, 98-005.

ETHICS COMMISSION (Executive Branch):

Weber & Rose, 980574; Johnson, Judy, True & Guarnieri, 980606.

FAMILIES AND CHILDREN,

CABINET FOR:

The Children's Advocacy Center of the Bluegrass, 980093; Children First, 980090; Lincoln Trail Domestic Violence Program, Inc., 980231; Brighton Center, 980107; Lend - A - Hand Foundation, 980804.

FINANCE ADMINISTRATION

CABINET:

Jerry A. Taylor and Associates, 980813; Deloitte & Touche, 980886.

FINANCE AND ADMINISTRATION

CABINET - Finance / Engineering:

Myers-Jolly Architects, 975052; Dunbar & Associates, 985044; 985040; Arrasmith, Judd, Rapp, Inc., 985193; Fuller, Mossbarger, Scott & May, 985003; James B. Evans & Associates, 965066; Harza Engineering Co., 955054; GeoTrans, Inc., 985023; Staggs and Fisher, 985037; Godsey Associates Architects, 985002.

HEALTH SERVICES,

CABINET FOR:

Myers & Stauffer, 980003; Custom Data Processing, 980056; John D. Tarrant, 980200; Ked R. Fitzpatrick, 980746; Loretta Hill, 980497; 980903; Barbara Knox, 980879; Volinda Walters, 980878.

INSURANCE DEPARTMENT:

GAB Business Services, 980654.

KENTUCKY EDUCATIONAL

TELEVISION:

Elizabeth Mosby Adler, 980752.

KENTUCKY EMPLOYEES MUTUAL
INSURANCE AUTHORITY (KEMI):
Automatic Data Processing, 98-ADP-002.

KENTUCKY LOTTERY CORPORATION:
Pinkerton's Inc., 98-97-250; Chip Polston, 98-127; Battelle, 98-359; Elsym Consulting, Inc., 98-115; Bryan, Pendleton, Swats, McAllister, LLC, 98-112; MULTI (Advertising Production), 98-100; DATA SAFE, 98-192.

KENTUCKY REGISTRY OF
ELECTION FINANCE:
Dinsmore & Shohl, 980695.

PUBLIC PROTECTION AND
REGULATION CABINET -
Department for Financial Institutions:
Brown, Todd & Heyburn, 980912.

TRANSPORTATION CABINET:
Quest Engineering, Inc., Ag# 599394; TRW, Inc., Ag# 419394; Ag# 459798; Dixon Nunnery, 5374; American Consulting Engineers, PLC, Ag# 249192; KZF, Inc., Ag# 519394; R. J. Robinson, 08356; Johnson, Depp & Quisenberry, Ag# 139394; W. C. Benton & Assoc., 971062; Haworth, Meyer & Boleyn, Inc., Ag# 459596; Paul E. McDonough, MAI, 07295; Municipal Engineering Company, Ag# 439697; Woolpert Consultants, Ag# 069293; GRW Engineers, Inc., Ag# 489091; Skees Engineering, Inc., Ag# 049596; H. W. Lochner, Inc., Ag# 429697; Wilbur Smith Associates, Ag# 139293; J. M. Crawford & Associates, Ag# 389697; Mary McClinton Clay, 17846; Vaughn & Melton, Ag# 449091.

UNIVERSITY OF KENTUCKY:
Pearson/Bender Associates P.L.C., A971360; Pearson+Bender+Jolly, A96-1260; David C. Banks Architects & Associates, PSC, A97-1370; Stites and Harbison, K98-143.

WESTERN KENTUCKY UNIVERSITY:
Kerrick & Grise & Stivers, 9-97.

WORKFORCE DEVELOPMENT:
Carroll Tarvin, 980120.

The following contracts Were PULLED
from the ROUTINE CONTRACT LIST

FINANCE & ADMINISTRATION CABINET -
Finance / Engineering.

Johnson, Romanwitz Architects, 985213; and Staggs & Fisher, 985212.

Chairman Long indicated that he pulled the two contracts due to language in the 1998-2000 budget indicating that the projects were on hold until completion of the new State Office Building. Mr. Armond Russ stated that the renovation project for the State Office Building has been around for many years; having been authorized and reauthorized several times. It began as an asbestos abatement project due to the age of the building from the last renovation, thirty-five years ago, but the project has expanded to more than general renovation. This contract was a Phase 8, preliminary design phase two years ago, however, the difficulty of renovation while a building is occupied soon became apparent. The Transportation Cabinet could reduce the cost by conduction renovation on an empty building, and at that point the strategy changed. It was decided to wait until the Transportation Cabinet building was complete and move the employees into the building and renovate the old building. At that time, the schedule was extended three years. During the analysis, the cabinet discovered that the air conditioning and heating equipment also needed to be replaced, and it was cheaper to house this equipment in a metal barn at \$40-\$50 a square foot rather than in a major office building that is valued at \$125 a square foot. The idea situation was to have a central utilities plant, in the water patrol building across the street from the State Office Building or on top of the hill in the old quarry area which could take place when the Capitol Tower renovation would occur in approximately four or five years.

In February the idea surfaced about the Transportation Cabinet building being located downtown rather than the old Carpenter Farm as originally submitted in the budget. There are funds to complete the design, but the project is on hold or progressing at a leisurely pace. Chairman Marshall Long asked why the cabinet was seeking approval for the contracts when it is unsure about the location of the project. Mr. Russ responded that the cabinet will know that within two months; where the building will be located. Chairman Long removed his objection to the contracts, but he advised not to spend too much money until it is known what will be done. Senator Metcalf stated he preferred the cabinet to come before the subcommittee at this point rather than wait until they have an emergency. He praised their planning. A motion was made by Senator Metcalf and seconded by Representative Crenshaw to approve the contracts. The motion passed unanimously.

TRANSPORTATION CABINET

Marvin Sotsky & Associates, 980664.

Chairman Long stated that he pulled the contract because the description stated it performs various legal services statewide which includes legal research, rendering legal opinions, representation of the cabinet actions of the boards, and other administrative bodies. Mr. Jeff Mosley, Director of the Office of General Counsel, Department of Transportation, and Ms. Geri Grigsby, General Counsel, Department of Transportation, discussed the contract with the subcommittee. Mr. Mosley stated that in speaking with Mr.

Meeks prior to the meeting, Mr. Meeks informed him that in the past, a general objection had been raised to this type of language, but the cabinet was not aware of the situation. Mr. Mosley stated that he had reviewed the language and felt that it was appropriate because of the wide range of legal services that the Transportation Cabinet requires and they did not want to limit in any manner any of the contract attorneys that are hired. Mr. Mosley stated that these contracts cover cases that neither the Office of the Attorney General nor the cabinet attorneys will handle. Chairman Long stated that it was not a big contract, but it the way the language was written that concerned him. Chairman Long removed his objection to the contract. A motion was made by Senator Metcalf and seconded by Representative Crenshaw to approve the contract. The motion passed unanimously.

Chairman Long stated that on the agenda there was a scheduled discussion of the subcommittee policy relating to attorney fees and one of his concerns was that there were sixty-five legal contracts on the routine list this month and twenty-six (or 40%) were over the \$75 per hour rate guideline, so the subcommittee must either steadfastly maintain the \$75 per hour limit or devise a better rate guideline.

Senator Metcalf stated that he felt we needed to start advertising for legal services, just like we advertise for bids for contractors, architects to build buildings. There were 325 lawyers that graduate from Kentucky law schools this year, along with all of the others already in practice, and he thinks that the fees charged by attorneys are artificial and that the Commonwealth should investigate what is on the market. Chairman Long stated that he understood the need for more expertise in certain cases, but questioned the number of such cases.

Representative Crenshaw stated that he understood Senator Metcalf's approach to the problem, but often times people will bid for things that they feel capable of doing solely because they would like to have the contract, however that approach may not get the Commonwealth of Kentucky the best quality of representation. Chairman Long commented that you may not want to be represented by the low bidder, and that the Finance Cabinet was anticipating making recommendations to the subcommittee.

Mr. Rex Hunt, Deputy Secretary of the Finance Cabinet, addressed the subcommittee and stated that he had been working with Mr. Michael Meeks on the matter about the legal fees. He stated that one problem concerns suits being filed against individuals, by the time the agencies are notified, they must have a response, so someone must be hired quickly. Mr. Hunt stated that the \$75 per hour rate guideline has been in placed since 1987 and any professional fees have gone up a substantial in that amount of time. He continued, citing that agencies can find some law firms willing to work for \$75 per hour, but the problem involves the monitoring of billings by the firms to make sure the hours are correct. He refused to say that any firms are padding their billings, but he did suspect that there are some instances of exaggeration as to the billable hours. Chairman

Long asked if the situation would improve if the allowable rate was raised to \$100 per hour. Mr. Hunt stated that if the rates are raised, the cabinet would have to very carefully monitor these contracts. Mr. Hunt stated that the average rate in the state is \$97 per hour for a first year associate and in the small towns they are charging about \$100 per hour, and it is very difficult to find any attorney for \$75 per hour, whether it be divorce work, property work, or otherwise. Mr. Hunt stated on the issue of differentiating between the solo practitioner charging \$45 per hour and the law firms charging \$75 per hour, the policy was not reasonable. He continued on the issue of paralegal fees and fees for hearing officers, stating that they are being paid half as much as the attorneys that are appearing before a judge. He cited an example and suggested the examination of raising the hearing officers fees, but cautioned about the fiscal impact on the agencies for the next fiscal year, and further stated the position of the Finance and Administration Cabinet that any change be implemented at the beginning of the next fiscal year, or be phased in gradually. Chairman Long stated that he felt we needed to continue to work on this issue to try to reach some agreement, hopefully early next year. Chairman Long stated that the subcommittee needed to get more statistical information. Mr. Hunt suggested that the subcommittee appoint an interested group representing a cross section of the industry, and have them report back to the subcommittee. He suggested that someone from the Attorney General's office, Finance & Administration Cabinet, LRC staff or possibly a committee member, Mr. Hanson Williams because his agency would be very representative of the impact of the hearing officer increase, and possibly one other large agency that uses attorneys such as Transportation Cabinet or the Cabinet for Families and Children.

Chairman Long announced our new staff member, Kim Eisner, and welcomed her to the subcommittee.

Chairman Long announced the next meeting of the Government Contract Review Committee would convene on July 28, 1998, 10:00 a.m., in room 125 of the Annex.

The meeting adjourned at 10:42 a.m.